

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2401
ANSWERED ON:11.03.2016
Bank Loan to Real Estate Developers
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Will the Minister of FINANCE be pleased to state:

(a) & (b): No, Madam. Reserve Bank of India (RBI) vide circular dated May 5th, 2003 has issued Guidelines on Fair Practices Code for Lenders which inter alia provide that lender must not discriminate on grounds of sex, caste and religion in the matter of lending. Banks have reported that home loans to individuals need to comply with their respective eligibility criteria irrespective of gender and marital status.

(c): Information with Credit Information Bureaus is based on reporting formats where marital status is either an optional field or not captured at all.

(d): Bhartiya Mahila Bank (BMB) offers single woman home loan products without co-applicant / guarantor, depending on the viability of the proposal.

Answer

The Minister of State in the Ministry of Finance

(a): Government has taken several measures to support affordable housing by real estate developers which inter-alia includes:
â€¢ Under Pradhan Mantri Awas Yojana's (PMAY) Affordable Housing in Partnership component, states and cities can extend concessions such as subsidy, land at affordable cost, stamp duty exemption etc. to developers who enter into a partnership with the State / Union Territory concerned or its agency for affordable housing projects.

â€¢ A separate sub sector called Commercial Real Estate – Residential Housing (CRE-RH) has been carved out with reduced risk weights for loans from banks to builders / developers for residential housing projects.

â€¢ Banks have been allowed to issue long-term bonds with a minimum maturity of seven years to raise resources for lending to affordable housing.

(b) & (c): 'Land' and 'Colonisation' are State subjects, hence, the complaints received against the real estate developers, companies are forwarded to concerned State Government for addressing and resolving the issues.

(d) Securities and Exchange Board of India (SEBI) does not regulate real estate activity or real estate companies.

(e) The investors have recourse through courts under various Acts such as Consumer Protection Act, 1986, Indian Contract Act, 1872, Specific Relief Act, 1963 etc. with respect to complaints against developers / real estate companies.
